

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice SU-59

For: Sugar State and County Offices

Forfeiture Penalty for Sugar Processors

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Some sugar processors have indicated their intention to forfeit loan collateral to CCC.

B

Purpose

This notice:

- reminds County Offices to follow 10-SU, Part 6, Section 1 for loan maturities and forfeitures
- provides instructions for collecting the sugar forfeiture penalty
- instructs County Offices to sample and test for polarity at forfeiture for **cane sugar only**
- obsoletes Notice SU-58.

2 County Office Action

A

Notice of Intent to Forfeit

County Offices shall:

- issue loan maturity notification according to 10-SU, paragraph 193
- include, in the loan maturity notification, instructions for the sugar processor to forward CCC-560 to KCCO, Bulk Commodities Division (BCD), Inventory Management Branch (IMB) at least 30 calendar days before loan maturity if the processor intends to forfeit

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Disposal Date

August 1, 2001

Distribution

Sugar State Offices; State Offices relay to applicable County Offices

Notice SU-59

2 County Office Action (Continued)

A

Notice of Intent to Forfeit (Continued)

- upon receipt of forfeiture notice from processor, issue to the processor a notice citing the responsibilities for maintaining CCC-owned sugar according to 10-SU, paragraph 194
 - FAX to the State Office:
 - processor's name
 - forfeiture date
 - copy of notice completed according to 10-SU, subparagraph 194 B.
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B

Forfeiture Penalty

A penalty shall be assessed and paid by a processor at the time of forfeiture of any sugar pledged as collateral for nonrecourse loans. County Offices shall calculate the penalty as follows:

- 1 cent per pound, raw value, for raw sugar
- 1.072 cent per pound, refined basis, for refined beet sugar.

Example: If a sugar processor forfeits 2,500 lbs. of refined beet sugar, the penalty would be \$26.80 (2,500 lbs. x .01072 = \$26.80).

Adjustments will be made for polarity on cane sugar at settlement according to Exhibit 1.

C

Deposits

County Offices shall collect and deposit the forfeiture penalty according to 3-FI, using the program code “99SUGFORF”.

3 State Office Action

A

Action

State Offices shall FAX the forfeiture intention information to the following offices.

Office	FAX Number
PSD	202-690-3307
KCCO, BCD, IMB	816-823-1804

Bulk Raw Cane Sugar Polarity Premium and Discount Schedule

This table provides a schedule for premiums and discounts adjusted for polarity degree.

Premiums		Discounts	
Polarity Degree	Adjustment (Cents/Lb.)	Polarity Degree	Adjustment (Cents/Lb.)
99.0+	+3.95	95.9	-.55
98.9	+3.83	95.8	-1.10
98.8	+3.71	95.7	-1.65
98.7	+3.59	95.6	-2.20
98.6	+3.47	95.5	-2.75
98.5	+3.35	95.4	-3.30
98.4	+3.23	95.3	-3.85
98.3	+3.11	95.2	-4.40
98.2	+2.99	95.1	-4.95
98.1	+2.87	95.0	-5.50
98.0	+2.75	94.9	-5.78
97.9	+2.53	94.8	-6.05
97.8	+2.30	94.7	-6.33
97.7	+2.08	94.6	-6.60
97.6	+1.85	94.5	-6.88
97.5	+1.63	94.4	-7.15
97.4	+1.40	94.3	-7.43
97.3	+1.18	94.2	-7.70
97.2	+0.95	94.1	-7.98
97.1	+0.73	94.0	-8.25

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Bulk Raw Cane Sugar Polarity Premium and Discount Schedule (Continued)

Premiums		Discounts	
Polarity Degree	Adjustment (Cents/Lb.)	Polarity Degree	Adjustment (Cents/Lb.)
97.0	+.50		
96.9	+.45		
96.8	+.40		
96.7	+.35		
96.6	+.30		
96.5	+.25		
96.4	+.20		
96.3	+.15		
96.2	+.10		
96.1	+.05		

Note: No adjustments are to be made for sugar testing 96 degrees polarity.
